



State of Washington

AFFORDABLE HOUSING ADVISORY BOARD

128 – 10th Avenue SW - PO Box 42525 - Olympia, Washington 98504-2525 - (360) 725-4000

Heyward Watson
Board Chair

Sam Anderson
Residential Construction Industry

David Gruenstein
Residential Construction Industry

Christine Walsh Rogers
Mortgage Lending Industry

Edward Palmer
Mortgage Lending Industry

Wanda Coats
Real Estate Sales Profession

Joseph Diehl
*Apartment Management &
Operation Industry*

Paul Purcell
For-Profit Housing Development

Kevin Grossman
For-Profit Rental Housing

Tony To
Non-Profit Housing Development

Chris Lowell
Homeless Shelter Operations

Lynn Davison
Special Needs Populations

Joe Ingram
Low Income Housing

Pedro Perez
At-Large/General Public

Tom Tierney
Public Housing Authorities

Hon. Cindy Carter
Counties, Eastern WA

Hon. David Gossett
Counties, Western WA

Hon. Thomas Moak
Cities, Eastern WA

Hon. Joan Hernandez
Cities, Western WA

Cathy Cochran on behalf of
Christine Olson
*Ex-Officio, Dept. of Social & Human
Services*

Kim Herman
*Ex-Officio, Housing Finance
Commission*

Will Graham
*Ex-Officio, Community, Trade &
Economic Development*

BOARD MEETING SUMMARY

**Wednesday February 6th, 2008 10am to 2pm
The Radisson Hotel – SeaTac, WA**

ATTENDANCE

Paul Purcell, Joan Hernandez, Wanda Coats, Thomas Moak, Tony To, Tom Tierney, Kim Herman, Will Graham, Heyward Watson, Cindy Carter, Chris Lowell, Pedro Perez, Joseph Diehl, Kevin Grossman, Christine Walsh Rogers, Sam Anderson, Edward Palmer

STAFF

Jenny Greenlee, Martin McMurry

WELCOME & INTRODUCTIONS – Heyward Watson

All were introduced. The group welcomed new members Tom Tierney (Public Housing Authorities) and Pedro Perez (At Large).

Heyward Watson wanted to begin the meeting with an inquiry on the role of AHAB and its particular authority. Will Graham and Kim Herman provided context on AHAB's historical role and potential action moving forward. Paul Purcell pointed to the efforts of the AHAB/GMA Taskforce and the fact it utilized a consensus model to develop its core recommendations. There was general confusion on the process by which AHAB is to deliberate on legislative issues or other broad policies that affect housing.

**DEBRIEF ON THE GOVERNOR'S TASKFORCE ON
HOMEOWNER SECURITY – Kim Herman**

The taskforce was created to respond to the mortgage crises, particularly with the affects of subprime lending. A broad range of professions represented the Taskforce, from lenders to the Dept. of Financial Institutions. After nine meetings, the work culminated into a task force report (24 recommendations) which called upon specific legislation that could be introduced to stave of the affects of sub-prime lending, defaults and foreclosures. Efforts included education and outreach so the public receives an understanding of what it is and the implications. SB 6272 is about financial literacy—this includes television campaigns and other mediums to educate homeowners.

Vender and loan service best practices were also discussed. This will help lenders provide a sound and understandable notice should foreclosure be imminent. Other regulations on loan services and subprime lending have



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been introduced and are moving (SB 6272-the Omnibus Reform bill address many of these issues). Requiring high level fiduciary duties on mortgage brokers and lenders was not a consensus item and a minority report was included in the Homeowner Security Task Force report.

Paul Purcell inquired whether AHAB should/could weigh in to the subprime issue and whether a letter should be drafted. No motion was carried. There were further inquiries into process that included perceived inaction on the mortgage crisis and legislative processes.

JOINT WORK SESSION W/ THE HOUSE LOCAL GOV'T AND HOUSING COMMITTEES – Heyward Watson, Paul Purcell and Tony To

Heyward provided background stating the work group focused on infrastructure solutions and affordable housing. Paul Purcell primarily referenced the work of the AHAB/GMA Taskforce. He stated at the work group session that one of the consensus items was the creation of the Growth Management Infrastructure Account. Nothing came out of the AHAB/GMA Taskforce as far as legislation, but the Puget Sound Regional Council essentially picked up the effort and moved forward on the idea of this account.

Tony To, representing Homesight, provided additional context on the meeting. A broad group of stakeholders were pulled together representing public, private, transportation and environmental interests. Tony suggested that at least during this short session the framework and groundwork was laid out so that next session the idea of Infrastructure funding for affordable housing will more traction.

LEGISLATIVE UPDATE & DISCUSSION INCLUDING THE GOVERNOR'S 2008 BUDGET – Jenny Greenlee

Jenny Greenlee quickly ran through a list of bills CTED Housing is tracking and articulated that there is a whole host of bills they may not be aware of that have some impact. There were an unprecedented number of housing bills dropped this session due to the focus on housing by Legislative leadership and the Governor.

The Governor's budget was one of the smallest supplemental budget increases to date, yet about half of the initiatives contained in the budget were housing related. The Washington Families Fund would receive an additional \$6 million and the Housing Trust Fund would receive \$50 million. The Trust Fund increase created two new set-asides—flood relief efforts and creating an earnest money account which would allow non-profit developers to secure properties with a short term loan. CTED has also been working with legislative staff to get some clarification of specific bills to achieve technical fixes. Jenny provided the group a short list of bills that affect AHAB. HB 2683 broadens the relationship with CTED in annual reporting. HB 3180 also has implications for AHAB in that a provision was added that require AHAB to work with CTED in streamlining policies such as guidelines for a float loan program.

List of bills were attached as a part of the meeting packet and are available by request.



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LEGISLATIVE UPDATE Con't: HOUSE BILL 2977 – Joseph Diehl

AHAB member Joseph Diehl asked for discussion on a tax evaluation bill. The bill attempts to examine the burden of proof notion in property tax evaluations, which has implications for affordable housing properties and a shift in tax burdens. Mr. Diehl has asked the group to consider taking a position on this bill.

Members motioned this to go to a vote and this was seconded.

This motion initiated conversation on the process by which AHAB discusses pieces of legislation and positions. It was suggested to develop a workplan heading into the 2009 Legislative session. There were concerns over having a discussion on a single bill and not considering all legislative impacts. It was suggested to lay some ground rules for all meetings. The by-laws provide a good framework, but additional policies could be adopted. It was suggested to have three options when considering a position. Rather than having only two positions on the table, members could have a third option of 'no position.' This would indicate that there was not complete consensus.

There is a proposed motion to reconsider action taken on HB 2977. The motion is amended for a letter from AHAB to go to the Director of CTED rather than solely to the Governor's Office or Legislative Leadership.

A Process Subcommittee will be formed and convened at a date to be determined. Wanda Coats, Sam Anderson, Kevin Grossman, Tom Moak, Heyward Watson, Tom Tierney, Christine Walsh Rogers, Will Graham and CTED staff will preside on the committee. Those who were not present will receive the opportunity through e-mail to participate as well.

WORK SESSION: 2008 WORKPLAN FOR AHAB – CTED Staff & Members

Time was limited for this session. Jenny Greenlee proposed ideas on moving forward and planning for 2008. She gave a brief overview of CTED planning for agency request legislative packages and budget planning, both of which will be occurring shortly after session is over. AHAB has the potential to provide guidance on some these activities.

SUBCOMMITTEE DEBRIEF – Not addressed

Tabled Items:

- 1. Infrastructure Study**
- 2. 2008 AHAB Workplan – 5 year Plan activities**
- 3. Process Subcommittee Recommendations**

MEETING ADJOURNED 2PM; Next Meeting: May 21st, 2008